

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 78848 / September 15, 2016

ADMINISTRATIVE PROCEEDING
File No. 3-16652

In the Matter of

MICHAEL S. WILSON, CPA and
COTTERMAN-WILSON, CPAs, INC.

Respondents.

NOTICE OF PROPOSED PLAN OF
DISTRIBUTION AND OPPORTUNITY
FOR COMMENT

ADMINISTRATIVE PROCEEDING
File No. 3-16892

In the Matter of

JAMES T. BUDDEN AND
ALEXANDER W. BUDDEN,

Respondents.

Notice is hereby given, pursuant to Rule 1103 of the Securities and Exchange Commission's ("Commission") Rules on Fair Fund and Disgorgement Plans ("Rules"), 17 C.F.R. § 201.1103, that the Division of Enforcement ("Division") has submitted to the Commission a proposed plan of distribution ("Plan") for the distribution of monies placed into Fair Funds in the above-captioned matters.

As described more specifically in the Plan, the funds in the above-captioned proceedings, if the Plan is approved by the Commission, will be transferred, pursuant to Rule 1102(a) of the Rules, 17 C.F.R. § 201.1102(a), to a court-appointed receiver ("Receiver") in the related Commission action, *Securities and Exchange Commission v. Cowgill*, No. 2:14-CV-396 (S.D. Ohio) (the "District Court Action"), for distribution to injured investors in accordance with the court-approved

plan in the District Court Action (“Receiver’s Plan”).¹ In accordance with Rule 1102(a), the District Court Action is “based upon a complaint alleging violations arising from the same or substantially similar facts as those alleged in the Commission’s order[s] instituting proceedings.” The Division has concluded transferring the funds paid in the Commission’s two administrative proceedings and distributing them through the District Court Action is fair and reasonable under the circumstances. A distribution through the District Court Action in accordance with the Receiver’s Plan will benefit the same investors injured as a result of Douglas E. Cowgill’s (“Cowgill”) misconduct² and be more cost-effective and timely than if the Commission undertakes its own distribution of the funds.

On June 25, 2015, the Commission issued an Order Instituting Public Administrative and Cease-and-Desist Proceedings Pursuant to Section 4C of the Securities Exchange Act of 1934, Section 203(k) of the Investment Advisers Act of 1940 (“Advisers Act”), and Rule 102(e) of the Commission’s Rules of Practice, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order (“Accounting Firm Order”)³ against Michael S. Wilson, CPA (“Wilson”) and Cotterman-Wilson CPAs, Inc., a Columbus, Ohio based accounting firm (“Cotterman-Wilson”) (collectively, “Accounting Firm Respondents”).

The order involving the Accounting Firm Respondents found the Accounting Firm Respondents’ failed to complete surprise examinations in 2009, 2010, and 2011 as required by Section 206(4) of the Advisers Act and Rule 206(4)-2 thereunder. The Accounting Firm Respondents consented, without admitting or denying the allegations, to a finding that they caused PIM’s violations of Section 206(4) of the Advisers Act and Rule 206(4)-2 thereunder, and engaged in improper professional conduct within the meaning of Section 4C(a)(2) of the Securities Exchange Act of 1934 and Rule 102(e)(1)(ii), 17 C.F.R. § 201.102(e)(1)(ii).

Wilson was ordered to pay a \$50,000 civil money penalty and Cotterman-Wilson was ordered to pay a \$25,000 civil money penalty, \$10,868 in disgorgement, and \$1,029 in prejudgment interest. The Accounting Firm Respondents paid the Commission, as ordered, on June 26, 2015. Pursuant to Section 308(a) of the Sarbanes-Oxley Act of 2002, as amended, the Accounting Firm Order created a Fair Fund for the disgorgement, interest, and penalties paid by the Accounting Firm Respondents for the benefit of PIM’s clients who were harmed due to the misconduct of the Accounting Firm Respondents.

On October 13, 2015, the Commission issued an Order Instituting Administrative and Cease-and-Desist Proceedings Pursuant to Sections 203(f) and 203(k) of the Investment Advisers Act of 1940, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order (“PIM Owner Order”)⁴ against James T. Budden and Alexander W. Budden (collectively “PIM Owner Respondents”).

¹ Docket No. 58.

² Cowgill, Professional Management Inc.’s (“PIM”) President and Chief Compliance Officer, violated several antifraud provisions of the federal securities laws by misappropriating more than \$840,000 in client assets within the meaning of Section 203(e)(6) of the Investment Advisers Act of 1940 (“Advisers Act”), and, also caused PIM to violate Section 206(4) of the Advisers Act and Rule 206(4)-7 thereunder.

³ Exchange Act Rel. No. 75298 (June 25, 2015) (Administrative Proceeding File No. 3-16652).

⁴ Advisers Act Rel. No. 4225 (Oct.13, 2015) (Administrative Proceeding File No. 3-16892).

The PIM Owner Respondents consented, without admitting or denying the allegations, to a finding that they failed reasonably to supervise Cowgill within the meaning of Sections 203(e)(6) of the Advisers Act with a view to preventing and detecting Cowgill's violations of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, and Sections 203(a), 204(a), 206(1), 206(2), 206(4), and 207 of the Advisers Act and Rules 204-2, 206(4)-2, and 206(4)-7 thereunder; caused PIM's violations of Section 206(4) of the Advisers Act and Rule 206(4)-7; James T. Budden also consented, without admitting or denying the allegations, to a finding that he caused PIM to violate Section 206(4) of the Advisers Act and Rule 206(4)-2 thereunder.

James T. Budden was ordered to pay a \$125,000 civil money penalty and Alexander W. Budden was ordered to pay a \$75,000 civil money penalty. The PIM Owner Respondents paid the Commission, as ordered, on October 14, 2015. Pursuant to Section 308(a) of the Sarbanes-Oxley Act of 2002, as amended, the PIM Owner Order created a Fair Fund for the penalties paid by the PIM Owner Respondents for the benefit of PIM's clients that were harmed due to the misconduct of the PIM Owner Respondents.

If the Commission approves the Plan, the Commission staff will take the necessary steps to obtain a Commission order transferring the balance of the two Fair Funds, \$286,897, to the District Court Action. The Receiver has agreed to distribute the funds in accordance with the court-approved Receiver's Plan to investors who were harmed due to the misconduct found in the two administrative proceedings.

OPPORTUNITY FOR COMMENT

Pursuant to this Notice, all interested persons are advised that they may obtain a copy of the Plan from the Commission's public website at <http://www.sec.gov/litigation/fairfundlist.htm>. Interested persons may also obtain a written copy of the Plan by submitting a written request to Susan Pecaro, Esq., United States Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-5876. All persons who desire to comment on the Plan may submit their comments, in writing, no later than thirty (30) days from the date of this Notice:

1. to the Office of the Secretary, United States Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090;
2. by using the Commission's Internet comment form (<http://www.sec.gov/litigation/admin.shtml>); or
3. by sending an e-mail to rule-comments@sec.gov.

Comments submitted should include "Administrative Proceeding File Nos. 3-16652 and 3-16892" in the subject line. Comments received will be publicly available. Persons should submit only information that they wish to make publicly available.

THE PLAN

If approved, the Plan provides for the transfer of the funds received in these two administrative proceedings to the District Court Action for distribution to harmed investors in accordance with the Receiver's Plan.

For the Commission, by its Secretary, pursuant to delegated authority.

Brent J. Fields
Secretary